Balanced Score Card
MHS Metrics

Presented by:

Dr. Bob Opsut

Director, Program Review and Evaluation

Health Budgets and Financial Policy

- **MHS Strategic Plan/Balanced Scorecard**

- **MHS Metrics Programs**

- **Metrics Standardization**

MHS GOALS

- **Improve service to external customers: Our customers are the Armed Forces and all those entrusted to our care.**

- **Enhance financial stewardship: Accomplish our mission in a cost effective manner that is visible and fully accountable.**

- **Improve Readiness: Focus on activities to enhance readiness of military forces and the medical assets that support them.**

- **Improve Quality: Ensure benchmark standards for health and health care are met.**

- **Improve Efficiency: Obtain maximum effectiveness from the resources we are given.**

- **Value our internal customers and leverage technology: Our people and our support systems are critical to giving us the capabilities to execute on all we set out to achieve.**

At the highest level, the Balanced Scorecard is a <u>framework</u> that helps organizations <u>translate strategy</u> into <u>operational objectives</u> that drive both behavior and <u>performance</u>.
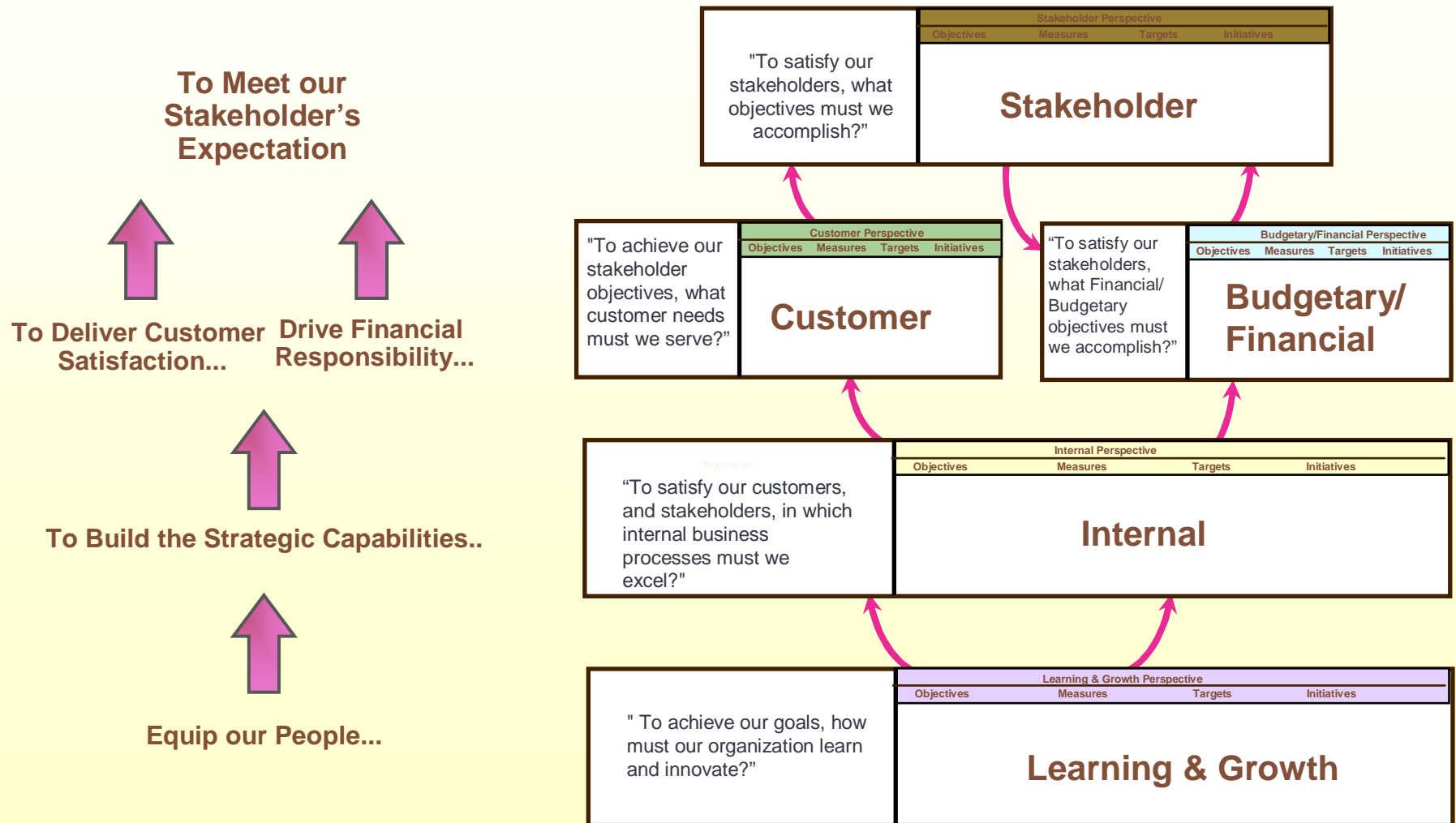
Why the MHS is Using the Balanced Scorecard

- Translates a strategy into operational terms

- Ensures that the components of the strategy—the objectives, measures, & initiatives are aligned and linked

- Communicates the strategy throughout the MHS

- Forms the basis of an effective and integrated strategic management process
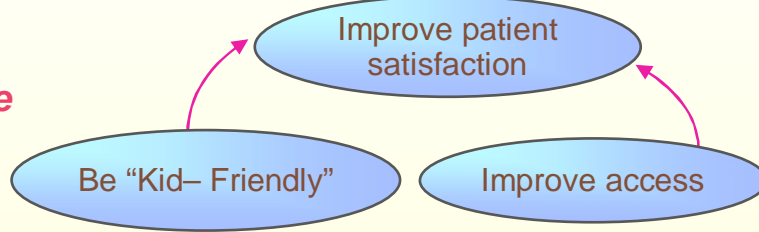
Balanced Scorecard Framework

To Meet our Stakeholder's Expectation

To Deliver Customer Satisfaction...   Drive Financial Responsibility...

To Build the Strategic Capabilities..

Equip our People...

"To satisfy our stakeholders, what objectives must we accomplish?"

Stakeholder Perspective			
Objectives	Measures	Targets	Initiatives

Stakeholder

"To achieve our stakeholder objectives, what customer needs must we serve?"

Customer Perspective			
Objectives	Measures	Targets	Initiatives

Customer

"To satisfy our stakeholders, what Financial/ Budgetary objectives must we accomplish?"

Budgetary/Financial Perspective			
Objectives	Measures	Targets	Initiatives

Budgetary/ Financial

"To satisfy our customers, and stakeholders, in which internal business processes must we excel?"

Internal Perspective			
Objectives	Measures	Targets	Initiatives

Internal

" To achieve our goals, how must our organization learn and innovate?"

Learning & Growth Perspective			
Objectives	Measures	Targets	Initiatives

Learning & Growth

Strategic Objectives Form a Theme Through a Set of Cause and Effect Relationships

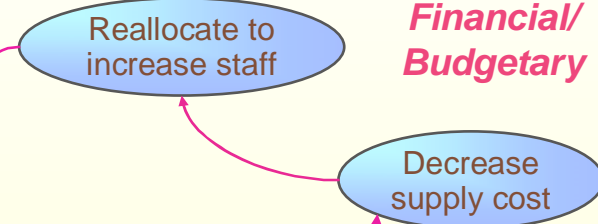**Stakeholder Perspective**

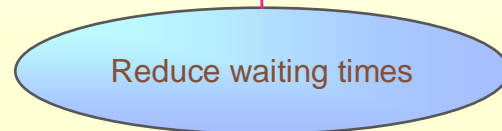To provide patients, families and physicians with the best, most compassionate care possible
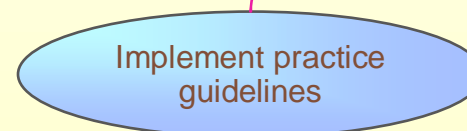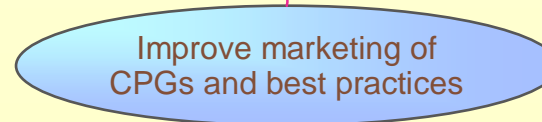
Customer Perspective

Improve patient satisfaction

Be "Kid–Friendly"

Improve access

Financial/ Budgetary

Reallocate to increase staff

Decrease supply cost

(Customer Value Theme)

Internal Perspective

Reduce waiting times

Implement practice guidelines

Learning Perspective

Improve marketing of CPGs and best practices

Strategy Map:
Diagram of the cause-and-effect relationships between strategic objectives

**Strategic Theme:
Increase Customer Value**

Customer

- Improve patient satisfaction
- Be "Kid–Friendly"
- Improve access

Financial/Budgetary

- Reallocate to increase staff
- Decrease supply cost

Internal

- Reduce waiting times
- Implement practice guidelines

Learning

- Improve marketing of CPGs and best practices
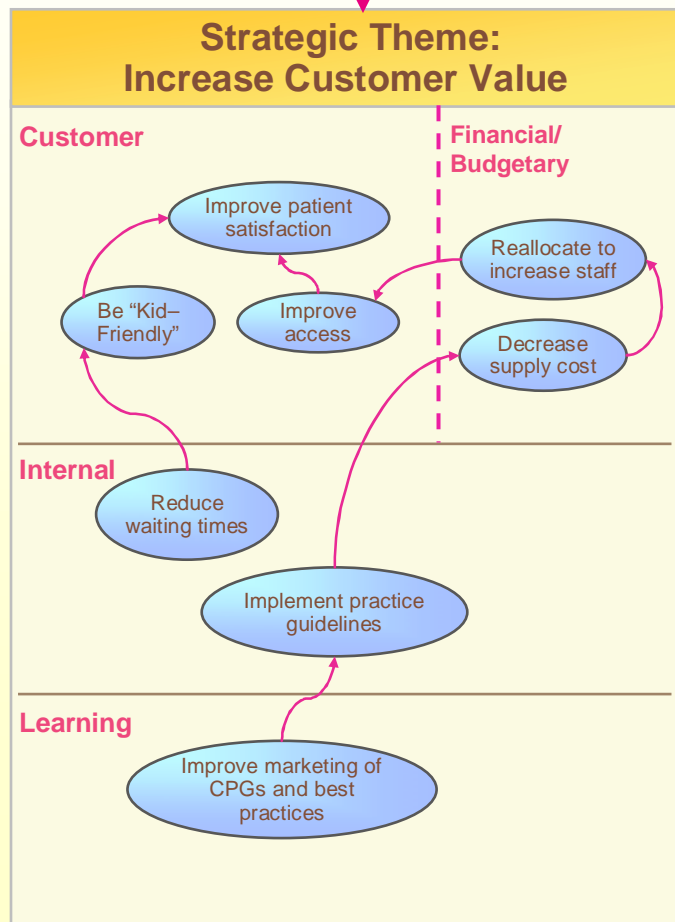
Objectives:
Statement of what strategy must achieve and what's critical to its success

Measures:
How success in achieving the strategy will be measured and tracked

Targets:
The level of performance or rate of improvement needed

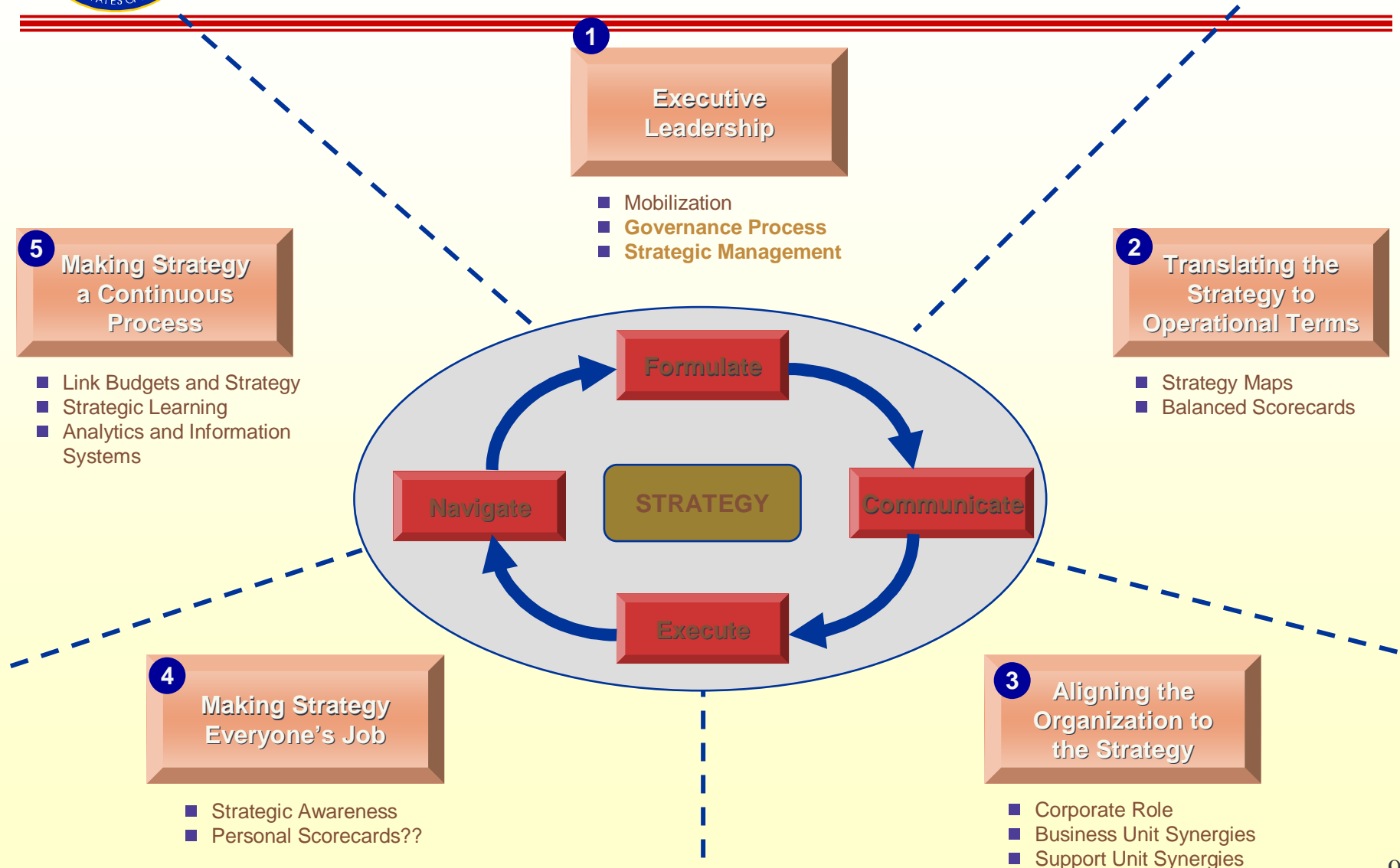**Initiatives:**
Key action programs required to achieve objectives

Objective	Measure	Target	Initiative
• Reduce waiting times	• Average emergency room wait time	• 30 minutes	• Emergency room expansion

Children's Hospital Case (example)

8

The Ultimate Goal is to Become a Strategy Focused Organization

1 Executive Leadership
- Mobilization
- Governance Process
- Strategic Management

5 Making Strategy a Continuous Process
- Link Budgets and Strategy
- Strategic Learning
- Analytics and Information Systems

2 Translating the Strategy to Operational Terms
- Strategy Maps
- Balanced Scorecards

STRATEGY
- Formulate
- Communicate
- Execute
- Navigate

4 Making Strategy Everyone's Job
- Strategic Awareness
- Personal Scorecards??

3 Aligning the Organization to the Strategy
- Corporate Role
- Business Unit Synergies
- Support Unit Synergies

9

MHS Strategic Plan

Mission

- To enhance DoD and our Nation's security by providing health support for the full range of military operations and sustaining the health of all those entrusted to our care
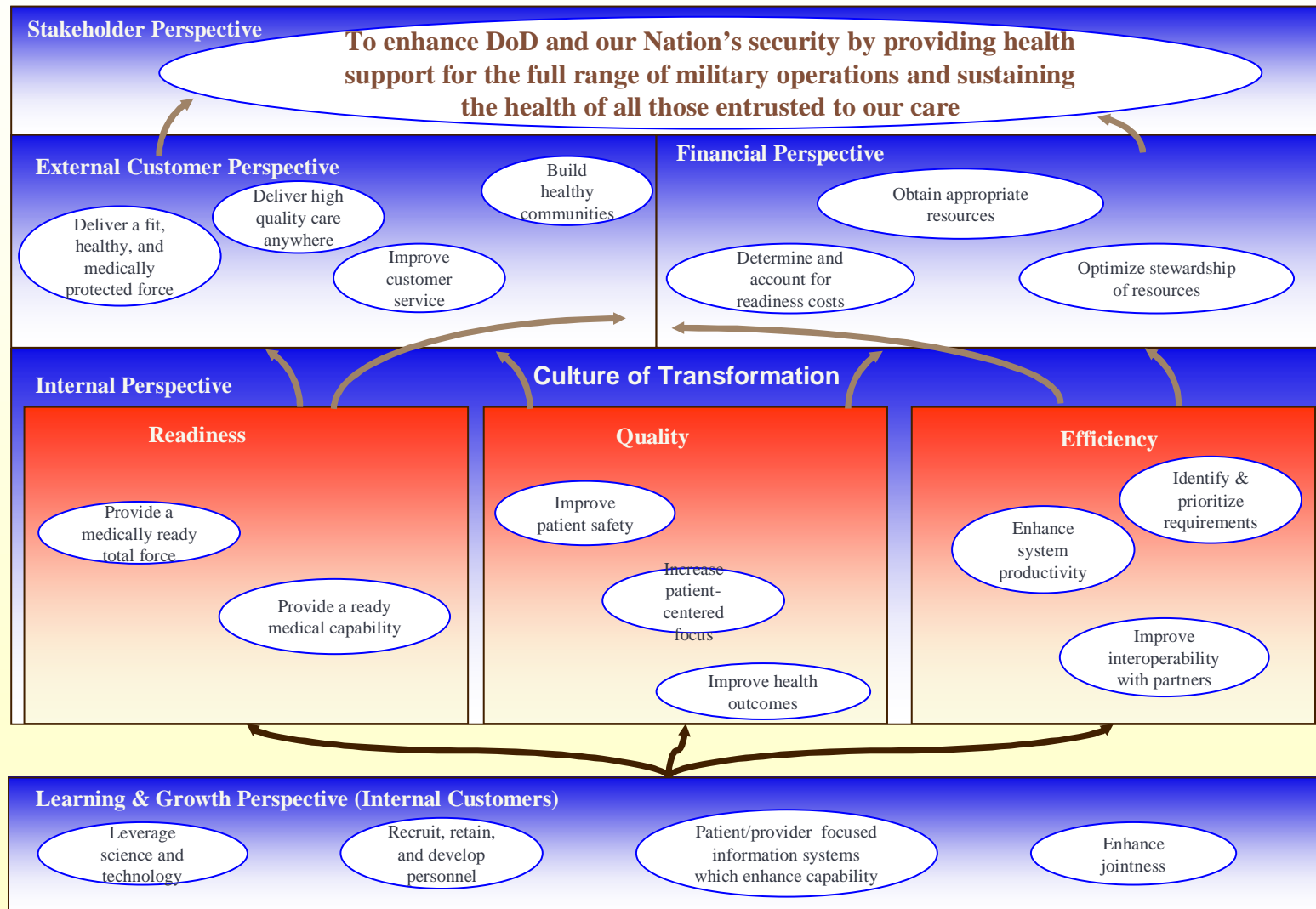
Vision

- A world-class health system that supports the military mission by fostering, protecting, sustaining and restoring health.

Destination

- 24-star endorsement of medical program

Strategy Map for Transforming the MHS

Stakeholder Perspective

To enhance DoD and our Nation's security by providing health support for the full range of military operations and sustaining the health of all those entrusted to our care

External Customer Perspective

- Deliver a fit, healthy, and medically protected force
- Deliver high quality care anywhere
- Improve customer service
- Build healthy communities

Financial Perspective

- Obtain appropriate resources
- Determine and account for readiness costs
- Optimize stewardship of resources

Internal Perspective

Culture of Transformation

Readiness
- Provide a medically ready total force
- Provide a ready medical capability

Quality
- Improve patient safety
- Increase patient-centered focus
- Improve health outcomes

Efficiency
- Identify & prioritize requirements
- Enhance system productivity
- Improve interoperability with partners

Learning & Growth Perspective (Internal Customers)

- Leverage science and technology
- Recruit, retain, and develop personnel
- Patient/provider focused information systems which enhance capability
- Enhance jointness

12

Theme Sponsors

Stakeholder Perspective
Dr. Winkenwerder, Mr. Wyatt, Maj Gen Randolph, RADM Mateczun

External Customer Perspective	Financial Perspective
Mr. Wyatt, Ms. Embrey, Dr. Tornberg Mr. Spruell, RADM Carrato	Mr. Wyatt, Mr. Ford, Lt Gen Taylor, LTG Peake, VADM Cowan

Internal Perspective

Readiness	Quality	Efficiency
Ms. Embrey, LTG Peake, RADM Mateczun	Dr. Tornberg, VADM Cowan	Mr. Ford, Lt Gen Taylor

Learning & Growth Perspective (Internal Customers)
Mr. Reardon, LTG Peake, Dr. Zimble

MHS Strategy Architecture

Stakeholder Perspective: Our stakeholders are the American people, expressed through the will of the President, Congress, and the Department of Defense

External Customer Perspective: Our customers are the Armed Forces and all those entrusted to our care

Financial Perspective: Accomplish our mission in a cost effective manner that is visible and fully accountable

Internal Perspective

Readiness Theme
Focus on activities to enhance readiness of military forces and the medical assets that support them

Quality Theme
Ensure benchmark standards for health and health care are met

Efficiency Theme
Obtain maximum effectiveness from the resources we are given

Learning and Growth Perspective (Internal Customers): Our people and our support systems are critical to giving us the capabilities to execute on all we set out to achieve.

Learning & Growth Perspective:
"In Order to Execute Our Internal Processes, With What Skills and Tools Must We Equip Our People?"

Objectives

- Leverage science and technology
- Recruit, retain, and develop personnel
- Patient/provider focused information systems which enhance capability
- Enhance jointness

Objective	Measures	Stretch Target	Initiatives
L&G-1: Leverage science and technology	% of R&D projects appropriately tied to strategic objectives	100%	-Bring metric results to attention of TARA Chairs and develop method to make them aware of MHS strategic objectives. -Define what we are trying to accomplish (define, link, communicate)
L&G-2: Recruit, retain, and develop personnel	-Fill rate (selected specialties) -Employee Satisfaction (unified survey)	-95% (critical shortages) -TBD	-Energize / resource ULB team to push incentives -Develop MHS program for recruitment and retention (potentially identifying policy issues and changes)
L&G-3: Patient/provider focused information systems which enhance capability	-% of patient encounters documented in the CHCSII system -Number of online appointments	-100% -7.5 million Appts	-Conduct limited deployment of the CHCS II system -Deploy TRICARE online
L&G-4: Enhance Jointness – optimize the way that we assign resources	# of unfilled MHS billets where other service overages exist	Zero	-Develop Tri-Service process for inter-Service resource sharing where possible and appropriate -Create a Task Force to make recommendations with milestones and plans to focus on Educational Experience, How we use flags, etc

Internal Perspective: Readiness Theme

Objectives

Provide a medically ready total force

Provide a ready medical capability

Objective	Measures	Stretch Target	Initiatives

R-1: Provide a medically ready total force	-Individual medical readiness
	  + Adequate (meets service regulations for deployability)
	  + Optimal (deployable without medical intervention)
	-% completeness individual database entries
		+80% of personnel medically ready to deploy
		+60% of personnel medically ready to deploy
		-95% database entries complete
			-Develop, implement, and monitor individual medical readiness to deploy indicators
			-Develop, implement, and monitor individual medical readiness to deploy indicators for Guard and Reserve
			-Implement an integrated, comprehensive DoD medical surveillance system

R-2: Provide a ready medical capability	-% SORTS reportable OPLAN-tasked medical units reporting C1 or C2 -% requirements defined	-85 % of on-hand assets can execute tasking -90% defined	-Ensure policy development and financial influence supports OPLAN taskings -Define common core medical requirements for joint medical response operations, including related training, equipment and exercise standards

Internal Perspective: Quality Theme

Objectives			
Improve patient safety	Increase patient-centered focus	Improve health outcomes	

Objective	Measures	Stretch Target	Initiatives
Q-1: Improve patient safety	**# of near misses (good catches) divided by total reported cases**	**TBD (no civilian benchmark available)**	**-Establish a process to share results of aggregate data analysis of near misses and actual events with both leadership and the field** **-Purchase and deploy Taproot across MHS** **-Link MedMARx between facilities and across services**
Q-2: Increase patient-centered focus	**- Satisfaction with encounter** **- Access (ease of getting an appointment)**	**90% (satisfied), 50% (hi satisfied) 80th percentile for civilian plans (MHS phone access—internal std)**	**-Establish process to examine benchmark organizations to (and) share successful techniques and ideas with leadership and the field.** **-Be the provider of choice for OB Services** **-Implement Access to Care OIPT recommendations.**
Q-3: Improve health outcomes	**# preventable admissions**	**Create a self benchmark**	**Establish a process to evaluate data and determine causes of any significant differences (positive or negative) between MHS and benchmark data**

Internal Perspective: Efficiency Theme

Objectives		
Improve interoperability with partners	Enhance system productivity	Identify & prioritize requirements

Objective	Measures	Stretch Target	Initiatives
E-1: Improve interoperability with partners	-Value of DoD/VA Sharing	**$100Mil FY03**	-Quantify and qualify where sharing agreements exist (to include formal and informal arrangements) -Identify best practices in DoD/VA resource sharing - Establish criteria for administration and management of the Joint Incentive Fund
E-2: Enhance System Productivity	-RVU per FTE -Clinical availability of provider -Hospital occupancy rate -Days per 1000 beneficiaries -Prime Leakage -Cost/RVU	= to or > 18.5 = to or > 80% = to or > 80% = or < 195 = to or < 30% TBD	-Develop, implement, and monitor provider availability, RVU/FTE and support staff/facility support standards. -Develop defined methodology and thresholds and monitor hospital occupancy and inpatient admission rates of MHS. Adopt bed counting methodology - Develop methodology to assess prime leakage -Develop methodology and monitor cost of both direct and private sector care for MTF enrollees.
E-3 Identify & prioritize requirements	**PA&E Study (completion of study and establish measures)**	**Staff and fund 100% of justified readiness requirements**	**Respond to PA&E Study by developing a methodology to staff and fund all justified readiness requirements**

External Customer Perspective: "What Do Our Customers Expect of Us?"

Objectives

- Deliver a fit, healthy, and medically protected force
- Deliver high quality care anywhere
- Improve customer service
- Build healthy communities

Objective	Measures	Stretch Target	Initiatives
C-1: Deliver a fit, healthy, and medically protected force	See R-1	See R-1	See R-1
C-2: Deliver high quality care anywhere	Industry-Based Quality Outcome Measures	-9 of the 9 metrics meet target	-Implement TRICARE Global Remote overseas healthcare contract -Clinical Quality Forum will develop and present a plan to improve the 9 quality measures -Implement Clinical Practice Guidelines across the MHS (90% of MTFs will implement the first 5 CPGs)
C-3: Improve customer service	Satisfaction with Health Plan	65% (Civilian 80 percentile) (21.2% Hi-Sat)	-Increase electronic submission of claims -Improve customer relations management strategy via T-Nex and new TIC contract
C-4: Build healthy communities	Population health 2010 metrics	Meet 11 of 11 metrics	-The Population Health Team will develop and present a plan to improve the 11 PHI metrics -Develop web-based population health support center

Financial Perspective: "What Do Our Stakeholders Expect of Us?"

Objectives		
Determine and account for readiness costs	Obtain appropriate resources	Optimize stewardship of resources

Objective	Measures	Stretch Target	Initiatives
F-1: Determine and account for readiness costs	-Cost of Readiness	TBD	Identify specific readiness related costs and resolve any disconnects between the top down and bottom up review of financial data and respond to PA&E Study.
F-2: Obtain appropriate resources	-% of DHP budget growth within accepted national healthcare inflationary index - real property life-cycle maintenance and capital equipment maintenance	-Annual growth DHP aligns w/ Annual Growth of Medical consumer Price Index (MCPI) -Bldg 30 Years, Maj Equip 7-10 Years, Minor Equip 3-5 Years	-Identify health care resource requirements based on historic trends and industry forecasts to assist budget development. -Develop methodology and provide report of MHS facilities and equipment replacement timelines consistent with health care industry benchmarks.
F-3: Optimize stewardship of resources	-Healthcare Efficiency of the MHS ($ output/ $ input) -Healthcare Efficiency of the Direct Care System ($ direct care output/ $ direct care input)	TBD TBD	Increase the care/cost ratio of MHS and DCS

Objectives
To enhance DoD and our Nation's security by providing health support for the full range of military operations and sustaining the health of all those entrusted to our care

Objective	Measures	Stretch Target	Initiatives
S-1: To enhance DoD and our Nation's security by providing health support for the full range of military operations and sustaining the health of all those entrusted to our care	JCS satisfaction with medical support	24 star endorsement of medical program	Produce a validation document for service chief signature

We Have To

- Government Performance and Results Act of 1993

We Want To

- Measure compliance with policies and strategic direction of leadership

Metrics must be tied to strategic vision

- What is the mission?
- How and when will it be accomplished?
- What are the markers of accomplishment?
- How does one measure these markers?

Many Audiences! One Mission?

- Congress
- OMB
- SECDEF
- USD(P&R)
- HA

- TMA
- Army
- Navy
- Air Force
- Lead Agents

- **Government Performance and Results Act (GPRA)**
- **OMB Common Measures**
- **DHP Performance Contract w/DEPSECDEF**
- **DodD Balanced Scorecard**
- **Monitoring the Status of the Force**
- **Quality of Life**
- **MHS Executive Review (MHSER)**
- **Service and LA specific programs**

SECDEF Balanced Scorecard

- Request from Senior Executive Council (SEC)
- 10-12 P&R Metrics
- HA Metrics
  - Satisfaction with Health Plan and Health Care*
  - Physician and MTF productivity*
  - Purchased care cost*

*From standard metric set

Balanced Scorecard Metrics

Perspective	Theme	Objective		Measure	Perf. Contract	Instrument Panel	MHS	ER	SECDEF	Freq	Lowest Level	
External Customer		Fit Force	C-1									🟥
		High Quality Care	C-2	Quality Outcome Measures						Q	Svc,Reg	🟨
		Customer Service	C-3	Satisfaction with Health Plan	X	X			X	Q	Svc,Reg	🟩
		Healthy Communities	C-4	Healthy People 2010	X	X				Q	MHS	🟩
Financial		Determine and Account for Readiness	F-1	Determine and Account for Readiness						A	MHS	🟩
		Obtain Appropriate Resources	F-2	Obtain Appropriate Resources						A	MHS	
				% DHP Budget Growth						A	MHS	
		Optimize Stewardship	F-3	Efficiency of MHS						A	MHS	
			F-3	Efficiency of Direct Care						A	MHS	🟩
Internal	Readiness	Medical Ready Total Force	R-1	Individual Medical Readiness						?	Svc	🟥
			R-1	Medical Surveillance System						?	?	
		Medical Capability	R-2	SORTS						Q	Svc	🟩
			R-2	Common Core Medical Requirements						A	MHS	🟥
	Quality	Patient Safety	Q-1	Near misses						Q	MHS	🟩
		Patient Centered	Q-2	Satisfaction with Encounter	X	X	X		X	Q	Svc,Reg	
			Q-2	Satisfaction with Access	X	X	X		X	Q	Svc,Reg	🟩
		Health Outcomes	Q-3	Number of Preventable Admissions	X					Q	MTF	🟩
	Efficiency	Interoperability with partners	E-1	Number of DoD/VA Sharing Agreements						?	MHS	
			E-1	DoD/VA Joint Procurement Dollars						A	MHS	🟩
		System productivity	E-2	RVU/FTE	X	X	X		X	M	MTF	🟩
			E-2	Clinical Availability of Providers						M	MTF	
			E-2	Occupancy Rate						M	MTF	🟨
			E-2	Inpatient Days/1000	X	X	X			Q	MTF	
			E-2	Prime Leakage/Outpatient Marketshare	X	X	X		X	M	MTF	🟥
			E-2	Cost per APG		X				M	MTF	🟩
			E-2	Medical Cost per Enrollee	X	X			X	M	MTF	🟥
		Identify and prioritize requirements	E-3	Identify and prioritize requirements						A	MHS	🟥
Learning & Growth		Leverage Science and Technology	L&G-1	% R&D tied to Strategic Objectives						A	MHS	🟥
		Recruit, retain, develop	L&G-2	Fill Rate						A	MHS	
			L&G-2	Employee Satisfaction						A	Svc	🟨
		Patient/Provider based systems	L&G-3	% patient encounters in CHCSII						M	MTF	
			L&G-3	TRICARE Online Usage						M	MTF	🟩
		Jointness	L&G-4	Unfilled billets with other services overages						A	MHS	🟨

Instrument Panel Metrics not on the Balanced Scorecard

Perspective	Theme	Objective		Measure	Perf. Contract	Instrument Panel	MHS	ER	SECDEF	Freq	Lowest Level	
External Customer		Customer Service		Enrollees	X	X	X			M	MTF	🟦
				Claims Processing	X	X	X			M	Reg	
				Telephone Inquires		X						
Internal		System productivity		Total RVUs	X	X	X			M	MTF	🟦
				Total RWPs	X	X	X			M	MTF	
				Cost per RWP		X						
				Primary Care RVUs/Enrollee		X						🟨
				Panel Size		X						
				Inpatient Marketshare	X	X	X			M	MTF	🟦
				Catchment Area Purchased Care Costs	X	X	X			M	MTF	

Metrics Standardization Board

- **TriService Board tasked to standardize measures**
  - Multiple efforts within HA/TMA, Services, Lead Agents
- **Started with Performance Contract and MHSER**
- **Multiple communities, Multiple interests**
- **Need to agree on definition, data source**
- **Reengineer old programs**
- **Becomes source for new requests for metrics**

Metrics Standardization Board

- **Service Representatives**
  - Army - LTCOL Dott Smith
  - Navy - LCDR Mark Turner
  - Air Force - LtCol Rick Reichard
- **Supported by Triservice Metrics Working Group**
  - Technical Experts

Conclusion

- **Senior leadership vision drives mission and forms basis for metrics**
- **Measures should use same data and same methodology**
- **Consistent metrics lead to clear and consistent message for both internal and external customers**